

Using REC Sales to Finance New Wind Projects

Green Power Marketing Conference

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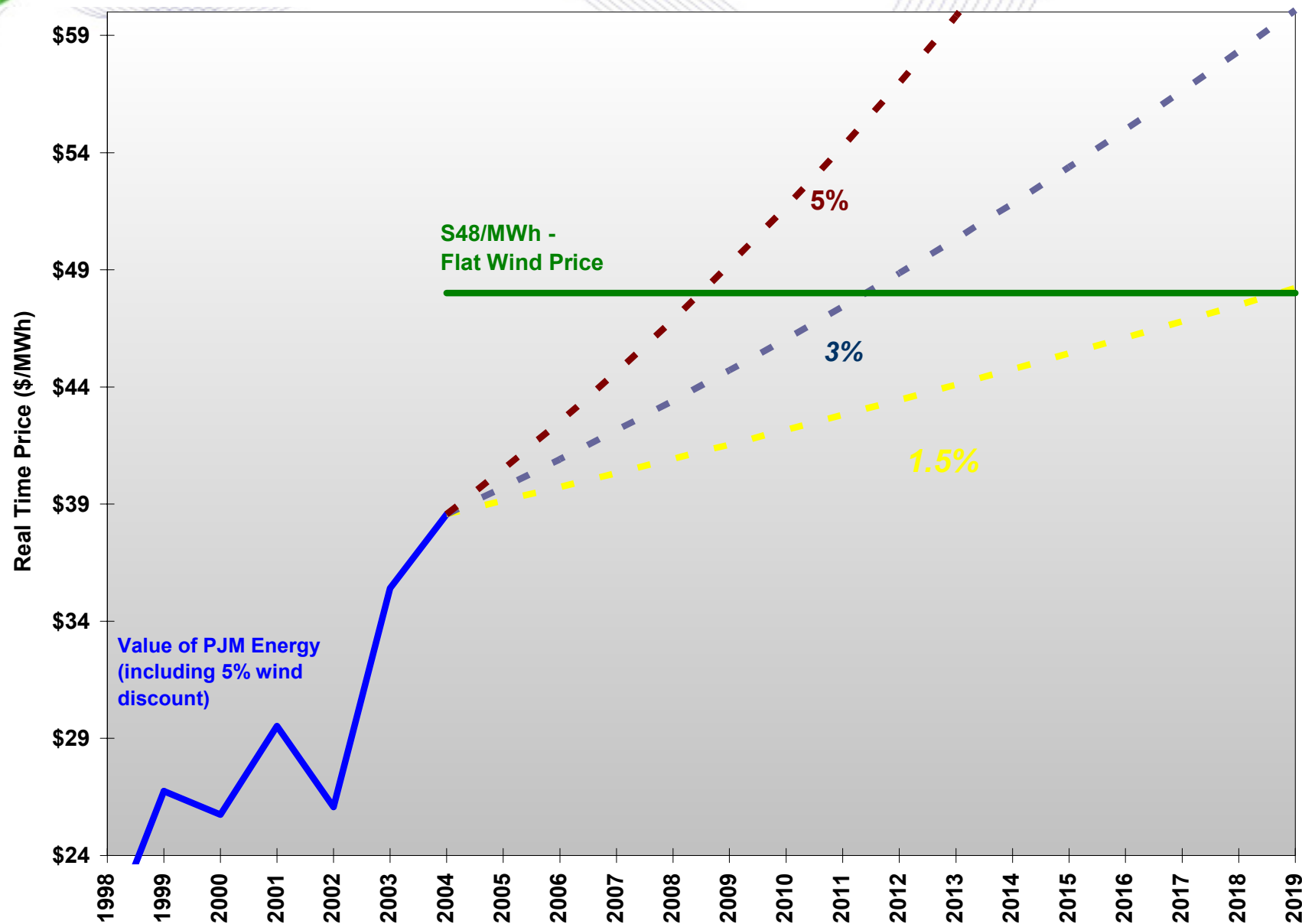


The Model:

Linking voluntary REC purchases with new regional wind supply to flip economics in positive direction.



Wind Economics



Wind Economics Cont.

Value of Wind Energy (in PJM): + \$35-40/MWh

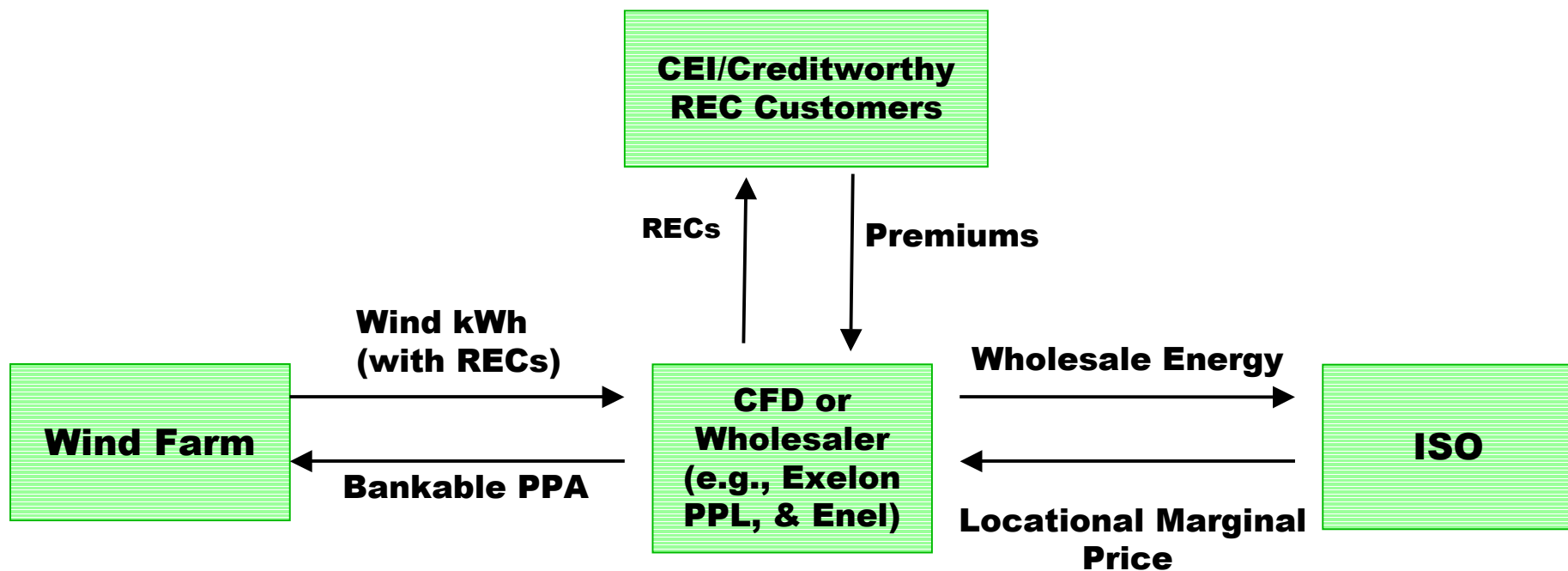
Cost of Wind Energy (in PJM): - \$42-50/MWh

NET ECONOMIC IMPACT - \$2-15/MWh

Green Market Premium + \$15-25/MWh

REVISED ECONOMIC IMPACT - \$0-23/MWh

Deal Structure



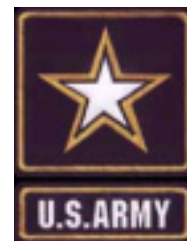
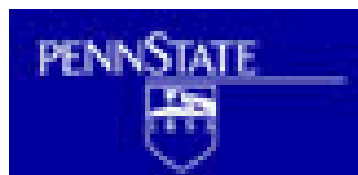
The Missing Link: Long-Term Creditworthy REC Purchases



- Original 5 year, 20,000 MWh/yr. purchase in 2001 supported new PA projects
- Last year doubled to 10-year, 40,000 MWh/Yr. purchase
- Term & credit behind commitment will directly support PA project in 2005



- Large, long-term purchase of PJM Wind backed with credit
- Directly allows for financing of a construction-ready PJM project in 2005



CEI Residential Programs

30,000 Residential Customers Signed Up Nationwide

Niagara Mohawk
A National Grid Company

Massachusetts Electric
A National Grid Company

RGE
AND

NYSEG

Narragansett Electric
A National Grid Company



The City of Naperville



Washington Gas
Energy Services
A Washington Gas Affiliated Company



PECO
An Exelon Company

ConEdison
Solutions
Bringing You Green Energy Services

LIPA
Long Island Power Authority

Future CEI Wind Farms



7.5 MW Atlantic City, NJ Wind Farm
Expected On-line Dec. 2004



3 MW Princeton, MA Wind Farm
Expected On-line 2005



20 MW Bear Creek, PA Wind Farm
Expected On-line 2005



51 MW Crescent Ridge, IL Wind Farm
Expected On-line Fall 2004



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